

**CITY OF NEW IBERIA
FINANCIAL REPORT
OCTOBER 31, 2008**

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Release Date 4/15/09

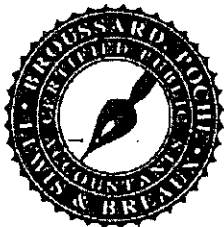
CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

ANNUAL FINANCIAL REPORT
YEAR ENDED OCTOBER 31, 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of City of New Iberia
New Iberia, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, as of and for the year ended October 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of New Iberia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented components units. Component unit financial statements audited by other auditors represent 76.36% and 81.20%, respectively, of the assets and program and general revenues of the aggregate discretely presented component units. One component unit, New Iberia City Marshal, is unaudited and represents 23.64% and 18.80%, respectively, of the assets and program and general revenues of the aggregate discretely presented component units. Audit reports have been furnished to us for those financial statements which were audited by other auditors, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, as of October 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2009, on our consideration of the City of New Iberia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Iberia's basic financial statements. The accompanying financial information listed as other supplementary information, the supplementary schedule of expenditures of federal awards, notes to the supplementary schedule, schedule of compensation paid to trustees, and the budgetary comparison schedules and notes to the budgetary comparison schedules listed as required supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Broussard, Piche, Lewis & Breazeal LLP

Lafayette, Louisiana
February 18, 2009

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City of New Iberia (the "City"), we offer readers of this financial statement an overview and analysis of the financial activities of the City. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the City's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial statements that begin on page 16.

HIGHLIGHTS

Financial Highlights

- Assets of the City primary government exceeded its liabilities at the close of the most recent fiscal year by \$84.5 million (net assets). Of this amount, 12.6% or \$10.6 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net assets increased by \$4.6 million (5.8%) during 2008. Governmental activities net assets increased \$4.6 million during 2008 while the business-type activities net assets decreased \$.01 million.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$32.1 million, an increase of \$3.8 million in comparison with the prior year. Approximately 74.2% of this total amount, \$23.8 million, is available for spending at the City's discretion (unreserved fund balance).
- Resources available for appropriation in the General Fund were \$.4 million more than budgeted while expenditures and transfers were \$.5 million more than budgeted for the year.
- At October 31, 2008, unreserved fund balance for the General Fund was \$7.3 million or 67.0% of total 2008 General Fund expenditures and transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has been greatly changed. The new statements focus on the City as a whole (government-wide) and the major individual funds. The basic financial statements are comprised of three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements combine governmental fund's current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a column for the business-type activities of the City. Component units are separate legal governmental entities to which the City may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities in the fund financial statements.

The statement of net assets (Exhibit A) presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities (Exhibit B) presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave result in cash flows for future periods. The focus of the statement of activities is on both the gross and net cost of various activities that are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost and/or subsidy of various governmental services and business-type activities and component units.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services including general government (executive, legislative, judicial, finance, administrative services), public safety (fire and law enforcement), streets and drainage, culture and recreation, urban redevelopment and housing, and economic development and assistance. These services are financed primarily with taxes. The business-type activities reflect private sector type operations where the fee for service typically covers all or most of the cost of operations including depreciation. The City's wastewater treatment operations are reported here.

The government-wide financial statements can be found on pages 16 through 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of New Iberia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus is on major funds, rather than generic fund types.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major funds (see Exhibits C through F) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures and changes in fund balances for the governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of New Iberia maintains 19 individual governmental funds. Information is presented separately for the General Fund, Sales Tax Fund, Garbage Fund, Disaster Relief Fund, Debt Service Fund, Spanish Town Paving Assessment Fund, 2006 Street Programs Fund and Home Mortgage Bond Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation in one column, titled other governmental funds. Combining financial statements of the nonmajor funds can be found in the other supplementary information section which follows the basic financial statements.

Proprietary Fund represents an enterprise fund on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its wastewater treatment operations. The basic proprietary fund financial statements are located in Exhibits G through I.

Fiduciary Funds are used to account for resources held by the City in a trustee capacity or as an agent for others. These funds (see Exhibits J and K) are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not presented as part of the government-wide financial statements.

The total columns for the governmental funds in the fund financial statements require reconciliation to those amounts presented in the government-wide statements. The governmental funds differences result from the different measurement focus and the reconciliation is presented on the pages following each statement (see Exhibits D and F). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements. There is no reconciliation for the proprietary fund.

Infrastructure Assets

General capital assets include land, land improvements, buildings, vehicles, equipment, and infrastructure, and all other assets of a tangible nature that are used in operations and that exceed the City's capitalization threshold (See Note 4). The City has capitalized all purchased and donated capital assets and infrastructure general capital assets. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time in the 2003 financial statements based on the date of acquisition and the life span of the asset.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on pages 38 through 66 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, the budgetary comparison schedules. Required supplementary information can be found in Exhibits N-1 through N-3 of this report.

The other supplementary information section referred to earlier in connection with the nonmajor funds is presented immediately following the required supplementary information in Exhibits O-1 and O-2.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings and schedules.

The following table reflects the condensed statement of net assets for 2008, with comparative figures from 2007:

Table 1
City of New Iberia
Condensed Statement of Net Assets
October 31, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	\$ 35.5	\$ 31.9	\$ 4.7	\$ 5.6	\$ 40.2	\$ 37.5
Restricted assets	.2	.2	2.0	1.8	2.2	2.0
Capital assets	33.7	34.3	47.4	47.0	81.1	81.3
Total assets	<u>\$ 69.4</u>	<u>\$ 66.4</u>	<u>\$ 54.1</u>	<u>\$ 54.4</u>	<u>\$123.5</u>	<u>\$120.8</u>
Liabilities:						
Current liabilities	\$ 4.1	\$ 2.7	\$.8	\$.3	\$ 4.9	\$ 3.0
Long-term liabilities	25.0	28.1	9.1	9.8	34.1	37.9
Total liabilities	<u>\$ 29.1</u>	<u>\$ 30.8</u>	<u>\$ 9.9</u>	<u>\$ 10.1</u>	<u>\$ 39.0</u>	<u>\$ 40.9</u>
Net assets:						
Invested in capital assets, net of debt	\$ 9.3	\$ 8.8	\$ 38.1	\$ 37.4	\$ 47.4	\$ 46.2
Restricted	24.5	20.6	2.0	1.8	26.5	22.4
Unrestricted	<u>6.5</u>	<u>6.2</u>	<u>4.1</u>	<u>5.1</u>	<u>10.6</u>	<u>11.3</u>
Total net assets	<u>\$ 40.3</u>	<u>\$ 35.6</u>	<u>\$ 44.2</u>	<u>\$ 44.3</u>	<u>\$ 84.5</u>	<u>\$ 79.9</u>

For more detailed information see Exhibit A, the statement of net assets.

The City's combined net assets at year end total \$84.5 million. Approximately 56.1% (\$47.4 million) of the City's net assets as of October 31, 2008 reflects the City's investment in capital assets (land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 31.4% (\$26.5 million) of the City's net assets are subject to external restrictions on how they may be used. The remaining 12.5% (\$10.6 million) of net assets, referred to as unrestricted, may be used to meet the ongoing obligations of the City to citizens and creditors.

Table 2 below provides a summary of the changes in net assets for the year ended October 31, 2008, with comparative figures from 2007:

Table 2
City of New Iberia
Condensed Statement of Changes in Net Assets
For the Years Ended October 31, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues -						
Fees, fines, and charges for services	\$.9	\$.9	\$ 4.3	\$ 4.3	\$ 5.2	\$ 5.2
Operating grants and contributions	4.6	2.9	-	-	4.6	2.9
Capital grants and contributions	.5	-	1.6	.1	2.1	.1
General revenues -						
Property taxes	3.9	3.6	-	-	3.9	3.6
Sales and use taxes	15.4	15.3	-	-	15.4	15.3
Occupational	1.4	1.4	-	-	1.4	1.4
Franchise fees	2.0	2.1	-	-	2.0	2.1
Grants and contributions not restricted to specific programs	.2	.2	-	-	.2	.2
Other	1.2	1.7	.3	.4	1.5	2.1
Total revenues	<u>\$ 30.1</u>	<u>\$ 28.1</u>	<u>\$ 6.2</u>	<u>\$ 4.8</u>	<u>\$ 36.3</u>	<u>\$ 32.9</u>
Expenses:						
General government	\$ 2.6	\$ 2.2	\$ -	\$ -	\$ 2.6	\$ 2.2
Public safety	8.4	7.9	-	-	8.4	7.9
Public works	8.5	6.8	-	-	8.5	6.8
Culture and recreation	2.4	2.1	-	-	2.4	2.1
Urban redevelopment and housing	1.1	1.2	-	-	1.1	1.2
Unallocated depreciation	1.7	1.6	-	-	1.7	1.6
Wastewater	-	-	5.7	5.3	5.7	5.3
Interest on long-term debt	1.2	1.2	-	-	1.2	1.2
Total expenses	<u>\$ 25.9</u>	<u>\$ 23.0</u>	<u>\$ 5.7</u>	<u>\$ 5.3</u>	<u>\$ 31.6</u>	<u>\$ 28.3</u>
Increase (decrease) in net assets before transfers	\$ 4.2	\$ 5.1	\$.5	\$ (.5)	\$ 4.7	\$ 4.6
Transfers	.5	.2	(.5)	(.2)	-	-
Change in net assets	\$ 4.7	\$ 5.3	\$ -	\$ (.7)	\$ 4.7	\$ 4.6
Net assets, November 1	<u>35.6</u>	<u>30.3</u>	<u>44.3</u>	<u>45.0</u>	<u>79.9</u>	<u>75.3</u>
Net assets, October 31	<u>\$ 40.3</u>	<u>\$ 35.6</u>	<u>\$ 44.3</u>	<u>\$ 44.3</u>	<u>\$ 84.6</u>	<u>\$ 79.9</u>

The City's total revenues were \$36.3 million and the total cost of all programs and services was \$31.6 million. Therefore, net assets increased \$4.7 million for the year. Our analysis below separately describes the operations of governmental and business-type activities.

Governmental Activities net assets increased \$4.7 million in 2008. The cost of all governmental activities this year was \$25.9 million. As shown in the statement of activities in Exhibit B, the amount that our taxpayers financed was \$19.9 million because some of the cost was paid by those who directly benefited from the programs (\$.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$5.1 million). Program revenues were 23.2% of total costs.

The City's largest programs in governmental activities are public works and public safety, with \$8.5 and \$8.4 million, respectively, of resources applied thereto. Following those are general government and culture and recreation.

Business Type Activities net assets did not change significantly in 2008. Charges for services make up 69.4% of the revenues in the business-type activities. There were no changes in rates and fees during 2008.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$32.1 million, an increase of \$3.8 million in comparison with the prior year. Approximately 74.2% of this total amount (\$23.8 million) constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: (1) liquidation of contracts (\$2.8 million), (2) payment of debt service (\$1.8 million), and (3) other miscellaneous commitments (\$3.7 million).

The General Fund is the chief operating fund of the City of New Iberia. At the end of the fiscal year, total fund balance of the General Fund was \$10.8 million, \$7.3 million of which was unreserved. Fund balance increased by an insignificant amount during 2008 as compared to the 2007 ending balance.

Fund balance in the Sales Tax Fund increased \$.9 million while the fund balance in the Garbage Fund increased \$.1 million. Fund balance in the Debt Service Fund increased \$.2 million, and fund balance in the Spanish Town Paving Assessment Fund increased \$.05 million.

Proprietary Fund: The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. As of the end of the current fiscal year, the City's proprietary fund reported ending net assets of \$44.3 million, which is consistent with the prior fiscal year.

The City's sole proprietary fund is the Sewerage Fund which accounts for wastewater services. As previously noted, the Sewerage Fund had no changes in rates charged to users.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$.2 million and a decrease in revenues and transfers from other funds of \$.5 million.

When actual results for 2008 are compared with the final budget, revenue collections, including transfers, failed to meet projections by \$.3 million and expenditures and transfers were \$.2 million less than appropriated; a negative variance of \$.1 million. The only material differences between actual results and budgeted amounts in the General Fund were related to transfers to and from other funds, State grants, personnel costs and capital outlays.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City of New Iberia's investment in capital assets for its governmental and business type activities as of October 31, 2008 amounts to \$81.1 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, wastewater facilities, and infrastructure. The net decrease in the City's investment in capital assets for the current fiscal year was .3%, a 1.8% decrease for governmental activities and a .9% increase for business-type activities.

Table 3
CITY OF NEW IBERIA
Capital Assets
(Net of Depreciation)
October 31, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 2.7	\$ 2.7
Land improvements	.6	.6	-	-	.6	.6
Buildings and improvements	3.3	3.5	-	-	3.3	3.5
Equipment	2.6	2.0	.4	.3	3.0	2.3
Infrastructure	25.0	22.5	-	-	25.0	22.5
Sewer plant and equipment	-	-	44.8	45.0	44.8	45.0
Construction in process	<u>.9</u>	<u>4.4</u>	<u>.8</u>	<u>.3</u>	<u>1.7</u>	<u>4.7</u>
Total	<u>\$ 33.7</u>	<u>\$ 34.3</u>	<u>\$ 47.4</u>	<u>\$ 47.0</u>	<u>\$ 81.1</u>	<u>\$ 81.3</u>

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-Term Debt: At the end of the current fiscal year, the City had total bonded debt outstanding of \$35.4 million. Of this amount, \$25.2 million comprises debt backed by the full faith and credit of the City, \$.9 million comprises debt resulting from the mergers into the Louisiana Firefighters' Retirement System, and the remaining \$9.3 million represents bonds secured solely by Sewer System revenues.

Table 4
CITY OF NEW IBERIA
Summary of Outstanding Debt at Year-End
October 31, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Notes payable	\$.9	\$ 1.1	\$ -	\$ -	\$.9	\$ 1.1
Claims payable	.1	.1	-	-	.1	.1
Compensated absences	.6	.5	.1	.1	.7	.6
General obligation bonds	21.9	22.8	-	-	21.9	22.8
Certificates of indebtedness	3.3	3.6	-	-	3.3	3.6
Sewer revenue bonds	-	-	9.3	9.7	9.3	9.7
Total	<u>\$ 26.8</u>	<u>\$ 28.1</u>	<u>\$ 9.4</u>	<u>\$ 9.8</u>	<u>\$ 36.2</u>	<u>\$ 37.9</u>

The City of New Iberia's total debt decreased during the year by \$1.7 million. This is mainly the result of scheduled principal payments of \$2.1 million made during the year and the City issuing \$.4 million in general obligation bonds under the DEQ revolving loan fund.

As of October 31, 2008, City bonds are rated by Moody's Investors Service as Aaa.

Computation of the legal debt margin for general obligation bonds is as follows:

Ad Valorem Taxes:

Assessed Valuation \$154,868,942

Debt Limit: 10% of Assessed Valuation (for any one purpose) \$ 15,486,894

Debt Limit: 35% of Assessed Valuation (aggregate, all purposes) \$ 54,204,130

Debt outstanding by purpose:

Street improvements	\$ 216,481
Fire protection	83,147
Police protection	29,675
Wastewater	12,510,000
Recreation	<u>35,697</u>
	<u>\$ 12,875,000</u>

The Louisiana Revised Statutes limit the City's bonded debt for any one purpose to 10% of the assessed valuation of the taxable property and 35% for all purposes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered when preparing the fiscal year 2009 budget:

- The historical trend for the City sales tax, a major revenue source for the City, has continued to be positive. The projected increase for the sales tax levies in the 2009 budget is 3.0%.
- Property taxes are projected to increase at an approximate rate of 3.0%.
- The City employees receive annual cost of living increases based on CPI. The increase for 2009 was 5.0%.
- Health insurance coverages for employees is expected to increase by approximately 10%.

These indicators and others were taken into account when adopting the budget for 2009. Amounts available for appropriation in the General Fund budget are \$8.1 million.

If budget estimates are met, the City's budgetary General Fund fund balance is expected to increase by \$1.1 million by the close of 2009.

As for business-type activities, revenue and expenses are projected to remain basically the same.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of New Iberia's finances and to demonstrate accountability for monies received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of New Iberia, Office of the City Treasurer, 457 E. Main Street, Suite 300, New Iberia, Louisiana 70560.

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BASIC FINANCIAL STATEMENTS

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF NET ASSETS
October 31, 2008

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 16,483,950	\$ 546,471	\$ 17,030,421	\$ 259,169
Certificates of deposit	14,736,034	3,748,377	18,484,411	-
Accounts receivable	-	195,762	195,762	3,870
Accrued interest receivable	75,934	31,802	107,736	486
Special assessments receivable	779,220	-	779,220	-
Other receivables	153,662	-	153,662	59,366
Due from other governmental agencies	2,749,618	319,234	3,068,852	-
Internal balances	221,452	(221,452)	-	-
Due from external parties	14,069	-	14,069	23,239
Real estate held for resale	61,343	-	61,343	-
Other assets	1,984	-	1,984	316
Deferred debits	262,547	59,573	322,120	-
Restricted assets	187,092	1,984,060	2,171,152	-
Capital assets:				
Non-depreciable	2,152,238	2,288,389	4,440,627	-
Depreciable, net	31,517,828	45,140,959	76,658,787	8,287

Total assets	<u>\$ 69,396,971</u>	<u>\$ 54,093,175</u>	<u>\$123,490,146</u>	<u>\$ 354,733</u>
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See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Accounts payable	\$ 878,571	\$ 360,880	\$ 1,239,451	\$ 2,745
Retainage payable	129,477	31,369	160,846	-
Accrued expenses	121,490	24,252	145,742	3,550
Accrued interest payable	233,160	-	233,160	-
Due to other governmental agencies	12,900	-	12,900	-
Deferred revenue	823,859	-	823,859	-
Other liabilities	124,367	-	124,367	-
Long-term liabilities -				
Portion due or payable within one year:				
Bonds payable	1,130,000	365,000	1,495,000	-
Certificates of indebtedness	316,600	-	316,600	-
Notes payable	214,420	-	214,420	-
Claims payable	9,592	-	9,592	-
Accrued compensated absences	68,407	7,769	76,176	-
Portion due or payable after one year:				
Bonds payable	20,804,745	8,945,000	29,749,745	-
Certificates of indebtedness	2,967,800	-	2,967,800	-
Notes payable	674,437	-	674,437	-
Claims payable	41,465	-	41,465	-
Accrued compensated absences	556,065	112,616	668,681	-
Total liabilities	\$ 29,107,355	\$ 9,846,886	\$ 38,954,241	\$ 6,295
Net assets:				
Invested in capital assets, net of related debt	\$ 9,312,868	\$ 38,119,348	\$ 47,432,216	\$ 8,287
Restricted for -				
Capital projects	5,644,728	-	5,644,728	-
Debt service	1,557,464	1,984,060	3,541,524	-
Other	17,275,911	-	17,275,911	-
Unrestricted	6,498,645	4,142,881	10,641,526	340,151
Total net assets	\$ 40,289,616	\$ 44,246,289	\$ 84,535,905	\$ 348,438
Total liabilities and net assets	\$ 69,396,971	\$ 54,093,175	\$ 123,490,146	\$ 354,733

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2008

Function/Program	Expenses	Program	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities -			
General government	\$ 2,617,111	\$ 56,294	\$ -
Public safety	8,354,323	437,032	332,685
Public works	8,540,419	32,350	2,929,925
Culture and recreation	2,399,227	355,358	42,743
Urban redevelopment and housing	1,161,198	-	1,264,105
Economic development and assistance	995	-	-
Unallocated depreciation	1,703,197	-	-
Interest on long-term debt	1,154,961	-	-
Total governmental activities	\$25,931,431	\$ 881,034	\$ 4,569,458
Business-type activities -			
Wastewater	5,674,947	4,315,135	1,497
Total primary government	\$31,606,378	\$ 5,196,169	\$ 4,570,955
Component units:			
City Court	\$ 579,895	\$ 441,876	\$ -
City Marshal	123,505	77,770	-
Iberia Home Mortgage Authority	13,264	-	-
Total component units	\$ 716,664	\$ 519,646	\$ -0-

General revenues:

Taxes -

 Property

 Sales and use

 Occupational

 Franchise fees

Grants and contributions not restricted
to specific programs

Investment income

Miscellaneous

Transfers

 Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

See Notes to Financial Statements.

Exhibit B

Revenues	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Units
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
\$ -	\$ (2,560,817)	\$ -	\$ (2,560,817)	\$ -
25,322	(7,559,284)	-	(7,559,284)	-
-	(5,578,144)	-	(5,578,144)	-
483,983	(1,517,143)	-	(1,517,143)	-
-	102,907	-	102,907	-
-	(995)	-	(995)	-
-	(1,703,197)	-	(1,703,197)	-
-	(1,154,961)	-	(1,154,961)	-
\$ 509,305	\$ (19,971,634)	\$ -0-	\$ (19,971,634)	\$ -0-
1,606,839	-	248,524	248,524	-
\$ 2,116,144	\$ (19,971,634)	\$ 248,524	\$ (19,723,110)	\$ -0-
\$ -	\$ -	\$ -	\$ -	\$ (138,019)
-	-	-	-	(45,735)
-	-	-	-	(13,264)
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (197,018)
	\$ 3,890,799	\$ -	\$ 3,890,799	\$ -
	15,425,739	-	15,425,739	-
	1,376,319	-	1,376,319	-
	2,028,847	-	2,028,847	-
	192,769	-	192,769	-
	873,442	248,315	1,121,757	12,236
	313,121	1,290	314,411	191,956
	504,975	(504,975)	-	-
	\$ 24,606,011	\$ (255,370)	\$ 24,350,641	\$ 204,192
	\$ 4,634,377	\$ (6,846)	\$ 4,627,531	\$ 7,174
	35,655,239	44,253,135	79,908,374	341,264
	\$ 40,289,616	\$ 44,246,289	\$ 84,535,905	\$ 348,438

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
October 31, 2008

ASSETS	General	Sales Tax	Garbage
Cash	\$ 4,017,969	\$ 4,278,429	\$ 136,187
Certificates of deposit	7,315,135	4,545,231	1,286,179
Accrued interest receivable	33,833	24,678	11,909
Special assessments receivable	-	-	-
Other receivables	153,428	-	-
Due from other funds	123,523	893,496	7,346
Due from other governmental agencies	245,083	43,565	912,471
Other assets	1,984	-	-
Real estate held for resale	61,343	-	-
Restricted assets	-	187,092	-
Total assets	<u>\$ 11,952,298</u>	<u>\$ 9,972,491</u>	<u>\$ 2,354,092</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 339,908	\$ -	\$ 232,430
Retainage payable	24,430	-	-
Accrued expenses	84,255	-	-
Due to other funds	585,764	20,223	-
Due to other governmental agencies	-	-	-
Deferred revenue	44,639	-	-
Other liabilities	71,657	-	-
Total liabilities	<u>\$ 1,150,653</u>	<u>\$ 20,223</u>	<u>\$ 232,430</u>
Fund balances:			
Reserved for -			
Construction	\$ -	\$ -	\$ -
Debt service	-	-	-
DEQ loan payment	-	187,092	-
Sales taxes	3,518,712	-	-
Designated	1,640,000	1,312,908	-
Unreserved, undesignated	5,642,933	8,452,268	2,121,662
Unreserved, undesignated, reported in -			
Special Revenue Funds	-	-	-
Total fund balances	<u>\$ 10,801,645</u>	<u>\$ 9,952,268</u>	<u>\$ 2,121,662</u>
Total liabilities and fund balances	<u>\$ 11,952,298</u>	<u>\$ 9,972,491</u>	<u>\$ 2,354,092</u>

See Notes to Financial Statements.

<u>Debt Service</u>	<u>Spanish Town Paving Assessment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,721,256	\$ 46,997	\$ 6,283,112	\$ 16,483,950
-	-	1,589,489	14,736,034
-	-	5,514	75,934
-	684,450	94,770	779,220
-	-	234	153,662
14,720	-	230,276	1,269,361
-	-	244,834	1,445,953
-	-	-	1,984
-	-	-	61,343
-	-	-	187,092
<u>\$ 1,735,976</u>	<u>\$ 731,447</u>	<u>\$ 8,448,229</u>	<u>\$ 35,194,533</u>

\$ -	\$ -	\$ 296,133	\$ 868,471
-	-	105,047	129,477
-	-	37,235	121,490
-	-	427,853	1,033,840
-	-	12,900	12,900
-	684,450	94,770	823,859
-	-	52,710	124,367
<u>\$ -0-</u>	<u>\$ 684,450</u>	<u>\$ 1,026,648</u>	<u>\$ 3,114,404</u>

\$ -	\$ -	\$ 2,794,337	\$ 2,794,337
1,735,976	46,997	7,651	1,790,624
-	-	-	187,092
-	-	-	3,518,712
-	-	2,850,391	5,803,299
-	-	-	16,216,863
-	-	1,769,202	1,769,202
<u>\$ 1,735,976</u>	<u>\$ 46,997</u>	<u>\$ 7,421,581</u>	<u>\$ 32,080,129</u>
<u>\$ 1,735,976</u>	<u>\$ 731,447</u>	<u>\$ 8,448,229</u>	<u>\$ 35,194,533</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
October 31, 2008

Total fund balances - governmental funds	\$32,080,129
--	--------------

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.
Capital assets, net

33,670,066

Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the governmental funds.

Accrued interest payable	\$ (233,160)	
Bonds payable	(21,934,745)	
Certificates of indebtedness payable	(3,284,400)	
Notes payable	(888,857)	
Claims payable	(51,057)	
Accrued compensated absences	<u>(624,472)</u>	(27,016,691)

Sales taxes which are not "measurable" at year end and therefore not available soon enough to pay for current period expenditures are not reported in the governmental funds.

1,293,565

Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the statement of activities.

Bond issue costs, net of accumulated amortization

262,547

Net assets of governmental activities

\$40,289,616

See Notes to Financial Statements.

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended October 31, 2008

	<u>General</u>	<u>Sales Tax</u>	<u>Garbage</u>
Revenues:			
Taxes -			
Ad valorem	\$ 1,151,487	\$ -	\$ -
Sales and use	1,909,881	9,549,404	3,819,762
Franchise	2,028,847	-	-
Licenses and permits	1,684,773	-	-
Intergovernmental	1,051,182	-	895,045
Charges for services	56,385	-	-
Fines and forfeitures	104,645	-	-
Investment income	271,573	275,431	61,702
Miscellaneous	56,611	-	41,250
Total revenues	<u>\$ 8,315,384</u>	<u>\$ 9,824,835</u>	<u>\$ 4,817,759</u>
Expenditures:			
Current -			
General government	\$ 2,364,909	\$ 90,587	\$ 36,235
Public safety	7,917,461	-	-
Public works	-	-	4,313,975
Culture and recreation	45,865	-	-
Urban redevelopment and housing	-	-	-
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	930,649	-	-
Total expenditures	<u>\$ 11,258,884</u>	<u>\$ 90,587</u>	<u>\$ 4,350,210</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,943,500)</u>	<u>\$ 9,734,248</u>	<u>\$ 467,549</u>
Other financing sources (uses):			
Transfers in	\$ 7,137,510	\$ -	\$ -
Transfers out	(4,193,249)	(8,835,045)	(357,084)
Bond proceeds	-	-	-
Total other financing sources (uses)	<u>\$ 2,944,261</u>	<u>\$ (8,835,045)</u>	<u>\$ (357,084)</u>
Net change in fund balances	\$ 761	\$ 899,203	\$ 110,465
Fund balances, beginning	<u>10,800,884</u>	<u>9,053,065</u>	<u>2,011,197</u>
Fund balances, ending	<u>\$ 10,801,645</u>	<u>\$ 9,952,268</u>	<u>\$ 2,121,662</u>

See Notes to Financial Statements.

<u>Debt Service</u>	<u>Spanish Town Paving Assessment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,630,598	\$ 93,600	\$ 1,015,114	\$ 3,890,799
-	-	-	15,279,047
-	-	-	2,028,847
-	-	-	1,684,773
-	-	3,263,724	5,209,951
-	-	387,333	443,718
-	-	-	104,645
27,513	-	237,733	873,952
-	37	24,385	122,283
<u>\$ 1,658,111</u>	<u>\$ 93,637</u>	<u>\$ 4,928,289</u>	<u>\$ 29,638,015</u>
\$ -	\$ -	\$ 30,071	\$ 2,521,802
-	-	-	7,917,461
-	-	3,881,235	8,195,210
-	-	2,175,846	2,221,711
-	-	1,159,064	1,159,064
1,659,393	58,500	8,100	1,725,993
1,120,873	25,594	3,564	1,150,031
-	-	1,062,438	1,993,087
<u>\$ 2,780,266</u>	<u>\$ 84,094</u>	<u>\$ 8,320,318</u>	<u>\$ 26,884,359</u>
<u>\$(1,122,155)</u>	<u>\$ 9,543</u>	<u>\$(3,392,029)</u>	<u>\$ 2,753,656</u>
\$ 1,331,724	\$ 37,454	\$ 5,889,293	\$ 14,395,981
-	-	(318,692)	(13,704,070)
-	-	375,674	375,674
<u>\$ 1,331,724</u>	<u>\$ 37,454</u>	<u>\$ 5,946,275</u>	<u>\$ 1,067,585</u>
\$ 209,569	\$ 46,997	\$ 2,554,246	\$ 3,821,241
1,526,407	-	4,867,335	28,258,888
<u>\$ 1,735,976</u>	<u>\$ 46,997</u>	<u>\$ 7,421,581</u>	<u>\$ 32,080,129</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2008

Net change in fund balances - total governmental funds	\$3,821,241
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The change in net assets reported for
governmental activities in the statement
of activities is different because:

Governmental funds report capital outlays
as expenditures. However, in the statement
of activities the cost of those assets is
allocated over their estimated useful lives
and reported as depreciation expense.

Capital outlay	\$ 1,745,511	
Depreciation expense	<u>(2,328,001)</u>	(582,490)

Because some revenues are not considered
measurable at year end, they are not
considered "available" revenues in the
governmental funds.

Sales taxes	144,878
-------------	---------

Bond proceeds are reported as financing
sources in governmental funds and thus
contributed to the change in fund balance.
In the statement of net assets, however,
issuing debt increases long-term liabilities
and does not affect the statement of activities.
Similarly, repayment of principal is an
expenditure in the governmental funds but
reduces the liability in the statement of
activities.

Bond proceeds	\$ (375,674)	
Principal payments	<u>1,725,993</u>	1,350,319

Governmental funds report the effect of
issuance costs, premiums, discounts and
similar items when debt is first issued,
whereas these amounts are deferred and
amortized in the statement of activities.

Bond issue costs amortized	(29,965)
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(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES (CONTINUED)
For the Year Ended October 31, 2008

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Decrease in accrued interest payable	\$ 25,035	
Decrease in claims payable	8,855	
Increase in compensated absences payable	<u>(103,496)</u>	<u>(69,606)</u>
Change in net assets of governmental activities		<u>\$4,634,377</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
October 31, 2008

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 546,471
Certificates of deposit	3,748,377
Accounts receivable	195,762
Accrued interest receivable	31,802
Due from other funds	20,349
Due from other governmental agencies	319,234
Total current assets	<u>\$ 4,861,995</u>
NONCURRENT ASSETS	
Restricted cash	\$ 260,999
Restricted certificates of deposit	1,723,061
Total restricted assets	<u>\$ 1,984,060</u>
CAPITAL ASSETS	
Land	\$ 1,437,748
Buildings and improvements, net	21,536
Equipment, net	371,324
Sewer plant, net	44,748,099
Construction in process	850,641
Total capital assets	<u>\$ 47,429,348</u>
DEFERRED DEBITS	
Bond issue costs, net	<u>\$ 59,573</u>
 Total assets	 <u>\$ 54,334,976</u>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
CURRENT LIABILITIES (payable from current assets)	
Accounts payable	\$ 360,880
Retainage payable	31,369
Accrued liabilities	24,252
Due to other funds	241,801
Accrued compensated absences	<u>7,769</u>
Total	<u>\$ 665,071</u>
CURRENT LIABILITIES (payable from restricted assets)	
Revenue bonds	<u>\$ 365,000</u>
Total current liabilities	<u>\$ 1,031,071</u>
NONCURRENT LIABILITIES	
Accrued compensated absences	\$ 112,616
Sewer revenue bonds	<u>8,945,000</u>
Total noncurrent liabilities	<u>\$ 9,057,616</u>
Total liabilities	<u>\$ 10,088,687</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 38,119,348
Restricted for debt service	1,984,060
Unrestricted	<u>4,142,881</u>
Total net assets	<u>\$ 44,246,289</u>
Total liabilities and net assets	<u>\$ 54,334,976</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
For the Year Ended October 31, 2008

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
Operating revenues:	
Charges for services -	
Customers	\$ 4,008,466
Parish Government under cooperative agreement	306,669
Miscellaneous	<u>547</u>
Total operating revenues	<u>\$ 4,315,682</u>
Operating expenses:	
Cost of services rendered	\$ 3,322,404
Depreciation	<u>2,009,911</u>
Total operating expenses	<u>\$ 5,332,315</u>
Operating loss	<u>\$ (1,016,633)</u>
Nonoperating revenues (expenses):	
Grant revenue	\$ 1,608,336
Investment income	248,315
Interest expense	(339,323)
Other, net	<u>(2,566)</u>
Income (loss) before contributions and transfers	\$ 498,129
Transfers in	357,262
Transfers out	<u>(862,237)</u>
Change in net assets	\$ (6,846)
Net assets, beginning	<u>44,253,135</u>
Net assets, ending	<u>\$ 44,246,289</u>

See Notes to Financial Statements.

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
For the Year Ended October 31, 2008

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 4,089,484
Receipts under cooperative agreement	317,499
Payments to suppliers for goods and services	(1,927,749)
Payments to employees and for employee related costs	(1,394,378)
Other receipts (payments)	<u>1,510,404</u>
Net cash provided by operating activities	<u>\$ 2,595,260</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	\$ 525,533
Transfers out	<u>(763,838)</u>
Net cash used in noncapital financing activities	<u>\$ (238,305)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and construction of capital assets	\$ (2,016,702)
Principal paid on revenue bonds	(350,000)
Interest paid on revenue bonds	<u>(339,323)</u>
Net cash used in capital and related financing activities	<u>\$ (2,706,025)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	\$ (1,090,938)
Investment income	<u>293,295</u>
Net cash used in investing activities	<u>\$ (797,643)</u>
Net decrease in cash and cash equivalents	\$ (1,146,713)
Balance, beginning of year	<u>1,954,183</u>
Balance, ending of year	<u>\$ 807,470</u>

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
For the Year Ended October 31, 2008

	Business-Type Activities - Enterprise Fund <u>Sewerage</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,016,633)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	2,009,911
Other	1,609,079
Change in assets and liabilities -	
Receivables	81,018
Due from other governmental agencies	(88,392)
Accounts payable and accrued liabilities	<u>277</u>
Net cash provided by operating activities	<u>\$ 2,595,260</u>
Cash shown on statement of net assets as:	
Current assets	\$ 546,471
Restricted assets	<u>260,999</u>
	<u>\$ 807,470</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
October 31, 2008

ASSETS	Pension Trust Funds	Agency Funds
Cash	\$1,040,403	\$ 89,193
Certificates of deposit	<u>189,350</u>	<u>-</u>
Total assets	<u>\$1,229,753</u>	<u>\$ 89,193</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ -	\$ 15,988
Due to other funds	14,069	23,239
Held for others pending court action	<u>-</u>	<u>49,966</u>
Total liabilities	\$ 14,069	\$ 89,193
NET ASSETS		
Held in trust for pension benefits	<u>1,215,684</u>	<u>-</u>
Total liabilities and net assets	<u>\$1,229,753</u>	<u>\$ 89,193</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended October 31, 2008

	Pension Trust Funds
Additions:	
Fire insurance rebate	\$ 128,214
Investment income	22,621
Other	<u>89,700</u>
Total additions	<u>\$ 240,535</u>
Deductions:	
Benefit payments	\$ 29,469
Other	<u>276,636</u>
Total deductions	<u>\$ 306,105</u>
Change in net assets	\$ (65,570)
Net assets, beginning	<u>1,281,254</u>
Net assets, ending	<u><u>\$1,215,684</u></u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
October 31, 2008

ASSETS	City Court of New Iberia	New Iberia City Marshal (Unaudited)	Iberia Home Mortgage Authority	Total
Cash	\$ 137,134	\$ 79,991	\$ 42,044	\$ 259,169
Accrued interest receivable	-	-	486	486
Mortgage loans receivable	-	-	59,366	59,366
Accounts receivable	-	3,870	-	3,870
Due from external parties	23,239	-	-	23,239
Prepaid items	-	-	316	316
Capital assets, net	8,287	-	-	8,287
Total assets	<u>\$ 168,660</u>	<u>\$ 83,861</u>	<u>\$ 102,212</u>	<u>\$ 354,733</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 2,745	\$ -	\$ -	\$ 2,745
Accrued expenses	-	-	3,550	3,550
Total liabilities	<u>\$ 2,745</u>	<u>\$ -0-</u>	<u>\$ 3,550</u>	<u>\$ 6,295</u>
Net assets:				
Invested in capital assets, net of related debt	\$ 8,287	\$ -	\$ -	\$ 8,287
Unrestricted	157,628	83,861	98,662	340,151
Total net assets	<u>\$ 165,915</u>	<u>\$ 83,861</u>	<u>\$ 98,662</u>	<u>\$ 348,438</u>
Total liabilities and net assets	<u>\$ 168,660</u>	<u>\$ 83,861</u>	<u>\$ 102,212</u>	<u>\$ 354,733</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended October 31, 2008

	City Court of New Iberia	New Iberia City Marshal (Unaudited)	Iberia Home Mortgage Authority	Total
Expenses	\$ 579,895	\$ 123,505	\$ 13,264	\$ 716,664
Program revenues:				
Fees and fines	439,473	77,770	-	517,243
Bonds forfeited	<u>2,403</u>	<u>-</u>	<u>-</u>	<u>2,403</u>
Net program (expenses) revenue	\$ (138,019)	\$ (45,735)	\$ (13,264)	\$ (197,018)
General revenues:				
Intergovernmental	\$ 119,181	\$ 58,289	\$ -	\$ 177,470
Interest income	1,238	-	10,998	12,236
Other general revenues	<u>14,486</u>	<u>-</u>	<u>-</u>	<u>14,486</u>
Total general revenues	\$ 134,905	\$ 58,289	\$ 10,998	\$ 204,192
Change in net assets	\$ (3,114)	\$ 12,554	\$ (2,266)	\$ 7,174
Net assets, beginning	<u>169,029</u>	<u>71,307</u>	<u>100,928</u>	<u>341,264</u>
Net assets, ending	<u>\$ 165,915</u>	<u>\$ 83,861</u>	<u>\$ 98,662</u>	<u>\$ 348,438</u>

See Notes to Financial Statements.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of New Iberia (the "City") are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements for both the business-type activities and proprietary fund financial statements. Although the City has the option to apply FASB pronouncements issued after that date, they have chosen not to do so. The more significant of the City's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

The City operates under a special legislative charter. The charter provides for the Mayor-Board of Trustees form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, certain social services (including urban redevelopment and housing) and general administration services. The City owns and operates one enterprise activity, a sewerage fund which provides sewerage services.

Component units -

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

NOTES TO FINANCIAL STATEMENTS

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Board of Trustees or Mayor) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the primary government and the potential component unit.
4. Imposition of will by the primary government on the potential component unit.
5. Financial benefit/burden relationship between the primary government and the potential component unit.

Based on the above criteria, the following are component units of the City.

City Court of New Iberia - The day-to-day operations of the City Court are funded through the City of New Iberia. In addition, the activities of the Court are primarily for City residents. The City has responsibility for funding any deficits of the Court. The City Court's fiscal year end is June 30.

New Iberia City Marshal - The day-to-day operations of the City Marshal are funded through the City of New Iberia. In addition, the activities of the Marshal are primarily for City residents. The City has responsibility for funding any deficits of the City Marshal. The City Marshal's fiscal year end is June 30.

Iberia Home Mortgage Authority - The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the City of New Iberia. The Authority was created to provide financing to low and moderate income families within the Parish of Iberia. The governing body is comprised of a ten member Board of Trustees consisting of the Mayor of City of New Iberia. The City has responsibility for funding any deficits of the Authority and approves its operating budget. The Authority's fiscal year end is March 31.

Complete financial statements of the above component units can be obtained at the office of the Legislative Auditor of the State of Louisiana, 1600 North 3rd, Baton Rouge, Louisiana 70802.

NOTES TO FINANCIAL STATEMENTS

Basis of presentation:

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements -

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The primary government is reported separately from the legally separate component units as detailed in the previous section.

In the government-wide statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, investment income, etc.).

NOTES TO FINANCIAL STATEMENTS

The City does not allocate indirect costs.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Sales Tax Fund - This fund accounts for the receipts and disbursements of proceeds from the City's 1.25% sales and use tax levies. These taxes are dedicated as described in Note 9.

Garbage Fund - This fund accounts for the receipt and use of proceeds of two of the City's .25% sales and use tax levies. These taxes are dedicated as described in Note 9.

Debt Service Fund - This fund is used to account for the receipts and disbursements of proceeds of the City's ad valorem taxes dedicated to debt retirement as well as debt retirement financed by other sources.

Spanish Town Paving Assessment Fund - This fund is used to account for special assessments related to paving assessments financed by certificates of indebtedness issued by the City.

The City reports the following major enterprise fund:

Sewerage Fund - This fund is used to account for the monies collected from sewer user fees and the operations of the sewer plants.

NOTES TO FINANCIAL STATEMENTS

In addition, the City reports the following:

Pension Trust Funds - These funds account for the accumulation of resources to be used for police and fire retirement annuity payments at appropriate amounts and times in the future. The funds do not account for the administrative costs of the systems, which are borne by the General Fund.

Agency Funds - These funds account for assets held by the City to cover estimated court costs in connection with criminal and civil suits.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

Basis of accounting:

Government-wide, proprietary and fiduciary fund financial statements -

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector

NOTES TO FINANCIAL STATEMENTS

and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Cash and cash equivalents:

Cash includes amounts in interest-bearing demand deposits and on hand. The cash balances of the majority of the City's funds are pooled by the City. For purposes of statements of cash flows, highly liquid investments (including restricted assets) with an original maturity of three months or less are considered to be cash equivalents. The City has no cash equivalents at October 31, 2008.

Investments:

State statutes authorize the City to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

In accordance with GASB Statement No. 31, investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost.

Custodial credit risk:

Deposits -

The City is exposed to custodial credit risk as it relates to their deposits with financial institutions. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the City's name. Accordingly, the City had no custodial credit risk related to its deposits at October 31, 2008.

NOTES TO FINANCIAL STATEMENTS

Investments -

The City's policy is to require investments, if any, to be held in the City's name. At October 31, 2008, the City did not have any investments.

Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Receivables:

All receivables are considered collectible and accordingly there is no allowance for doubtful accounts at October 31, 2008.

Bond discounts/issuance costs:

In governmental funds, bond discounts and issuance costs are recognized in the current period. In proprietary funds (and for governmental funds, in the government-wide statements), bond discount and issuance costs are deferred and amortized over the terms of the bonds to which such discounts and costs apply.

Restricted assets:

Certain resources of the City are classified as restricted assets on the balance sheet because their use is limited by debt restrictions.

Fixed assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide statements -

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of

NOTES TO FINANCIAL STATEMENTS

donation. Prior to November 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost and have been included in the accompanying financial statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Land improvements	20 - 30
Buildings and improvements	10 - 40
Equipment	5 - 15
Infrastructure	20 - 50
Sewer plant	5 - 35

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fund financial statements -

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Interest on debt issued to finance construction of the wastewater treatment plant has been capitalized as a part of the cost of such projects. Fixed assets of the Sewerage Fund include capitalized interest totaling \$3,379,805.

Compensated absences:

Employees of the City earn annual leave in amounts ranging from eight hours per month to 16 hours per month, depending upon length of service. At the end of each year, employees may carry forward annual leave earned but not taken with the maximum allowable carryover of unused annual leave being equal to five days. Unused annual leave in excess of what can be carried forward is credited to the employee's sick leave balance. Unused annual leave is paid to an employee upon retirement or resignation at hourly rates being earned by that employee upon separation.

NOTES TO FINANCIAL STATEMENTS

Effective April 1, 1997, sick leave is credited to all classified employees at the rate of 12 hours per month. All unused sick leave is carried forward from year to year. Employees separated due to retirement or death are paid for all accumulated sick leave earned between January 1, 1991 and December 31, 1994 at the hourly rates being earned by the employee at that time.

Compensatory leave is earned at a rate of one and one-half hours for each hour of overtime worked. The maximum accumulation of compensatory leave is 120 hours. It may be carried forward from year to year. Upon termination, unused compensatory leave is paid up to 120 hours.

Police and firemen earn vacation and sick leave in accordance with state law. Policemen have the option of accumulating compensatory leave or receiving payment for any overtime hours worked. Firemen are paid for any overtime hours worked.

In the government-wide and proprietary fund statements, the City accrues accumulated unpaid sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

Long-term debt:

The accounting treatment of long-term debt depends on whether the debt relates to governmental or proprietary fund obligations and whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, certificates of indebtedness, notes payable, claims payable, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Long-term debt in proprietary fund operations is accounted for the same in the fund financial statements as it is in the government-wide statements.

Equity classifications:

Government-wide statements -

Equity is classified as net assets and displayed in three components:

NOTES TO FINANCIAL STATEMENTS

- a. Invested in capital assets, net of related debt - Consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The government-wide statement of net assets reports \$17,275,911 of other restricted net assets of which \$16,886,207 is restricted by enabling legislation.

Fund financial statements -

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Interfund transfers:

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and individual proprietary funds have been eliminated.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The City is required to evaluate prominent events or changes in circumstances affecting capital

NOTES TO FINANCIAL STATEMENTS

assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The City recorded no impairment losses during the year ended October 31, 2008.

NOTES TO FINANCIAL STATEMENTS

Note 2. Interfund Balances

Interfund balances at October 31, 2008 consist of the following:

	Due From:					Total
	General	Sales Tax	Governmental Funds	Sewerage	Pension Trust Funds	
Due to:						
General	\$ -	\$ -	\$ 123,523	\$ -	\$ -	\$ 123,523
Sales Tax	585,764	-	283,981	12,950	10,801	893,496
Garbage	-	-	-	7,346	-	7,346
Debt Service	-	-	-	14,720	-	14,720
Other Governmental Funds	-	20,223	-	206,785	3,268	230,276
Sewerage	-	-	20,349	-	-	20,349
Total	<u>\$585,764</u>	<u>\$ 20,223</u>	<u>\$ 427,853</u>	<u>\$ 241,801</u>	<u>\$14,069</u>	<u>\$1,289,710</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTES TO FINANCIAL STATEMENTS

Note 3. Due From Other Governmental Agencies

Amounts due from other governmental agencies consist of the following at October 31, 2008:

Fund financial statements:

Governmental Funds -

Iberia Parish School Board:

Sales and use taxes collected but not remitted \$ 69,704

Delta Regional Authority 25,322

State of Louisiana:

Federal pass-through grant funds 1,140,073

State grant funds 185,257

State shared revenue 25,597

\$1,445,953

Proprietary Funds -

Iberia Parish Government:

Reimbursement for joint operations \$ 104,464

State of Louisiana:

State grant funds 214,770

\$ 319,234

Government-wide financial statements:

Total amount reported in -

Governmental Funds, from above \$1,445,953

Proprietary Funds, from above 319,234

Additional sales and use taxes due from

Iberia Parish School Board 1,303,665

\$3,068,852

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets and Depreciation

Capital asset activity for the year ended October 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 1,264,295	\$ -	\$ -	\$ 1,264,295
Construction in process	<u>4,390,478</u>	<u>783,943</u>	<u>(4,286,478)</u>	<u>887,943</u>
Total capital assets not being depreciated	<u>\$ 5,654,773</u>	<u>\$ 783,943</u>	<u>\$ (4,286,478)</u>	<u>\$ 2,152,238</u>
Capital assets being depreciated -				
Land improvements	\$ 1,076,163	\$ -	\$ -	\$ 1,076,163
Buildings and improvements	6,082,467	-	-	6,082,467
Equipment	6,874,888	961,568	-	7,836,456
Infrastructure	<u>60,966,272</u>	<u>4,286,478</u>	<u>-</u>	<u>65,252,750</u>
Total capital assets being depreciated	<u>\$ 74,999,790</u>	<u>\$ 5,248,046</u>	<u>\$ -0-</u>	<u>\$ 80,247,836</u>
Less accumulated depreciation for:				
Land improvements	\$ (461,670)	\$ (36,025)	\$ -	\$ (497,695)
Buildings and improvements	(2,601,642)	(169,670)	-	(2,771,312)
Equipment	(4,842,313)	(419,108)	-	(5,261,421)
Infrastructure	<u>(38,496,382)</u>	<u>(1,703,198)</u>	<u>-</u>	<u>(40,199,580)</u>
Total accumulated depreciation	<u>\$ (46,402,007)</u>	<u>\$ (2,328,001)</u>	<u>\$ -0-</u>	<u>\$ (48,730,008)</u>
Total capital assets being depreciated, net	<u>\$ 28,597,783</u>	<u>\$ 2,920,045</u>	<u>\$ -0-</u>	<u>\$ 31,517,828</u>
Governmental activities capital assets, net	<u>\$ 34,252,556</u>	<u>\$ 3,703,988</u>	<u>\$ (4,286,478)</u>	<u>\$ 33,670,066</u>

(continued)

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$ 1,419,864	\$ 17,884	\$ -	\$ 1,437,748
Construction in process	<u>261,474</u>	<u>2,005,759</u>	<u>(1,416,592)</u>	<u>850,641</u>
Total capital assets not being depreciated	<u>\$ 1,681,338</u>	<u>\$ 2,023,643</u>	<u>\$ (1,416,592)</u>	<u>\$ 2,288,389</u>
Capital assets being depreciated -				
Buildings and improvements	\$ 51,574	\$ -	\$ -	\$ 51,574
Equipment	<u>1,339,414</u>	<u>122,108</u>	<u>-</u>	<u>1,461,522</u>
Sewer plant	<u>52,766,563</u>	<u>1,674,292</u>	<u>-</u>	<u>54,440,855</u>
Total capital assets being depreciated	<u>\$ 54,157,551</u>	<u>\$ 1,796,400</u>	<u>\$ -0-</u>	<u>\$ 55,953,951</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (28,950)	\$ (1,088)	\$ -	\$ (30,038)
Equipment	<u>(1,019,400)</u>	<u>(70,798)</u>	<u>-</u>	<u>(1,090,198)</u>
Sewer plant	<u>(7,754,731)</u>	<u>(1,938,025)</u>	<u>-</u>	<u>(9,692,756)</u>
Total accumulated depreciation	<u>\$ (8,803,081)</u>	<u>\$ (2,009,911)</u>	<u>\$ -0-</u>	<u>\$ (10,812,992)</u>
Total capital assets being depreciated, net	<u>\$ 45,354,470</u>	<u>\$ (213,511)</u>	<u>\$ -0-</u>	<u>\$ 45,140,959</u>
Business-type capital assets, net	<u>\$ 47,035,808</u>	<u>\$ 1,810,132</u>	<u>\$ (1,416,592)</u>	<u>\$ 47,429,348</u>

NOTES TO FINANCIAL STATEMENTS

Depreciation was charged to activities as follows:

Governmental activities:

General government	\$ 89,122
Public safety	251,917
Public works	169,769
Culture and recreation	112,947
Urban redevelopment and housing	53
Economic development and assistance	995
Infrastructure depreciation is unallocated	<u>1,703,198</u>
Total governmental activities depreciation expense	<u>\$ 2,328,001</u>

Business-type activities:

Wastewater	<u>\$ 2,009,911</u>
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Note 5. Long-Term Debt

General Obligation Bonds/Public Improvement Bonds/Certificates of Indebtedness/Revenue Bonds

The City issues general obligation bonds, public improvement bonds and certificates of indebtedness to provide funds for the acquisition, construction or improvement of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City also issues bonds which are payable from a specific revenue source, income derived from the City's proprietary fund. Proceeds were used for the construction of the wastewater treatment plant. These bonds, which are expected to be paid from sewer revenues, are reported in the proprietary fund.

NOTES TO FINANCIAL STATEMENTS

Long-term debt outstanding at October 31, 2008 is as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>	<u>Amount Due in One Year</u>
Governmental activities:					
General obligation bonds -					
Payable from ad valorem					
taxes:					
General Obligation					
Refunding Bonds,					
Series 2001	2001	2012	4.35%	\$ 365,000	\$ 85,000
General Obligation					
Bonds, Series					
2002	2002	2024	4.20% - 5.20%	8,165,000	355,000
General Obligation					
Bonds, Series					
2003	2003	2025	3.80% - 4.80%	<u>4,345,000</u>	<u>165,000</u>
				<u>\$12,875,000</u>	<u>\$ 605,000</u>
Payable from sales					
taxes:					
Public Improvement					
Bonds					
1995	1995	2016	2.95%	\$ 2,445,000	\$ 275,000
Public Improvement					
Bonds					
1997	1997	2016	2.95%	970,000	110,000
Public Improvement					
Bonds					
1999	1999	2020	3.95%	<u>2,070,000</u>	<u>140,000</u>
				<u>\$ 5,485,000</u>	<u>\$ 525,000</u>
Certificates of					
indebtedness -					
Refunding					
certificates					
2000	2000	2009	1.10% - 2.40%	\$ 85,000	\$ 85,000
Street					
certificates					
2005	2005	2020	4.10%	2,600,000	165,000
Paving					
certificates					
2007	2007	2017	4.375%	526,500	58,500
Sewerage					
certificates					
2007	2007	2017	4.40%	<u>72,900</u>	<u>8,100</u>
				<u>\$ 3,284,400</u>	<u>\$ 316,600</u>
Notes payable -					
Firefighters'					
retirement system					
1988	1988	2011	7.00%	\$ 436,392	\$ 135,740
Firefighters'					
retirement system					
1994	1994	2013	7.00%	<u>452,465</u>	<u>78,680</u>
				<u>\$ 888,857</u>	<u>\$ 214,420</u>

(continued)

NOTES TO FINANCIAL STATEMENTS

	Issue Date	Final Maturity Date	Interest Rates	Balance Outstanding	Amount Due in One Year
DEQ revolving loan fund advances (See Note 14)				\$ 3,574,745	\$ -0-
Other liabilities -					
Accrued compensated absences				\$ 624,472	\$ 68,407
Claims payable				51,057	9,592
Total other liabilities				\$ 675,529	\$ 77,999
Total governmental activity debt				\$26,783,531	\$1,739,019
Business-type activities:					
Sewer Revenue Bonds, Series 2004	2004	2026	3.43% - 3.95%	\$ 9,310,000	\$ 365,000
Other liabilities -					
Accrued compensated absences				120,385	7,769
Total business-type activity debt				\$ 9,430,385	\$ 372,769

The annual debt service requirements to maturity of all bonds and certificates outstanding at October 31, 2008 follows:

	General Obligation Bonds			Public Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 605,000	\$ 567,601	\$ 1,172,601	\$ 525,000	\$ 174,064	\$ 699,064
2010	635,000	537,026	1,172,026	540,000	156,930	696,930
2011	565,000	505,504	1,170,504	560,000	139,230	699,230
2012	700,000	475,123	1,175,123	575,000	120,964	695,964
2013	625,000	447,896	1,072,896	590,000	102,205	692,205
2014 - 2018	3,610,000	1,801,606	5,411,606	2,280,000	235,875	2,515,875
2019 - 2023	4,595,000	881,831	5,476,831	415,000	16,491	431,491
2024 - 2026	1,440,000	50,286	1,490,286	-	-	-
	<u>\$12,875,000</u>	<u>\$ 5,266,873</u>	<u>\$18,141,873</u>	<u>\$ 5,485,000</u>	<u>\$ 945,759</u>	<u>\$ 6,430,759</u>

NOTES TO FINANCIAL STATEMENTS

	Certificates of Indebtedness			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 316,600	\$ 134,882	\$ 451,482	\$ 214,420	\$ 62,220	\$ 276,640
2010	236,600	123,161	359,761	229,430	47,211	276,641
2011	246,600	113,275	359,875	245,491	31,150	276,641
2012	256,600	102,980	359,580	96,386	13,966	110,352
2013	266,600	92,274	358,874	103,130	7,222	110,352
2014 - 2018	1,416,400	286,433	1,702,833	-	-	-
2019 - 2023	545,000	33,825	578,825	-	-	-
2024 - 2026	-	-	-	-	-	-
	<u>\$ 3,284,400</u>	<u>\$ 886,830</u>	<u>\$ 4,171,230</u>	<u>\$ 888,857</u>	<u>\$ 161,759</u>	<u>\$ 1,050,626</u>
	Revenue Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 365,000	\$ 347,612	\$ 712,612	\$ 2,026,020	\$ 1,286,379	\$ 3,312,399
2010	380,000	343,139	723,139	2,021,030	1,207,467	3,228,497
2011	395,000	330,516	725,516	2,112,091	1,119,675	3,231,766
2012	410,000	314,617	724,617	2,037,986	1,027,650	3,065,636
2013	425,000	298,126	723,126	2,009,730	947,723	2,957,453
2014 - 2018	2,395,000	1,219,069	3,614,069	9,701,400	3,542,983	13,244,383
2019 - 2023	2,905,000	697,669	3,602,669	8,460,000	1,629,816	10,089,816
2024 - 2026	2,035,000	122,746	2,157,746	3,475,000	173,032	3,648,032
	<u>\$ 9,310,000</u>	<u>\$ 3,673,494</u>	<u>\$12,983,494</u>	<u>\$31,843,257</u>	<u>\$10,934,725</u>	<u>\$42,777,982</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended October 31, 2008:

	Balance, 11/01/07	Additions	Reductions	Balance, 10/31/08
Governmental activities:				
General obligation bonds	\$13,450,000	\$ -	\$ (575,000)	\$12,875,000
Public improvement bonds	5,990,000	-	(505,000)	5,485,000
Certificates of indebtedness	3,591,000	-	(306,600)	3,284,400
Notes payable	1,089,250	-	(200,393)	888,857
Accrued compensated absences	520,976	103,496	-	624,472
Claims payable	59,912	-	(8,855)	51,057
DEQ revolving loan fund advance	<u>3,338,071</u>	<u>375,674</u>	<u>(139,000)</u>	<u>3,574,745</u>
	<u>\$28,039,209</u>	<u>\$ 479,170</u>	<u>\$ (1,734,848)</u>	<u>\$26,783,531</u>

NOTES TO FINANCIAL STATEMENTS

	Balance, 11/01/07	Additions	Reductions	Balance, 10/31/08
Business-type activities:				
Accrued compensated absences	\$ 112,551	\$ 7,834	\$ -	\$ 120,385
Revenue bonds	9,660,000	-	(350,000)	9,310,000
	<u>\$ 9,772,551</u>	<u>\$ 7,834</u>	<u>\$ (350,000)</u>	<u>\$ 9,430,385</u>

Total interest costs incurred and charged to expense during the year ended October 31, 2008 was \$1,489,354. Of this amount, \$1,150,031 was recognized in the governmental fund financial statements while \$339,323 was recognized in the proprietary fund financial statements.

Compensated absences and claims liabilities typically have been liquidated by the General Fund and a few other governmental funds.

Note 6. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover any claims related to these risks.

However, the City is self-insured for worker's compensation claims that were incurred prior to November 1, 1999.

The City accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting.

Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claims paid are recorded as expenditures/expenses against the General Fund insurance appropriation. Claims paid amounted to \$8,855 for the fiscal year. Long-term obligations that are not expected to be liquidated with expendable available resources are not reported in the fund financial statements. Such amounts, if any, are reported in the government-wide statements in accordance with the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

At October 31, 2008, the amount of the worker's compensation benefits liability was \$51,057. This liability is the City's best estimate based on available information. Changes in the unpaid claims liability amount are as follows:

	<u>2008</u>	<u>2007</u>
Unpaid claims, beginning	\$ 59,912	\$ 72,464
Claims paid	<u>(8,855)</u>	<u>(12,552)</u>
Unpaid claims, ending	<u>\$ 51,057</u>	<u>\$ 59,912</u>

Note 7. Designations of Fund Balance

Individual designations of the fund balances at October 31, 2008 in the fund financial statements are as follows:

	<u>General</u>	<u>Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Designated for:				
DEQ loan payments	\$1,640,000	\$1,312,908	\$ -	\$2,952,908
Capital improve- ments	<u>-</u>	<u>-</u>	<u>2,850,391</u>	<u>2,850,391</u>
	<u>\$1,640,000</u>	<u>\$1,312,908</u>	<u>\$ 2,850,391</u>	<u>\$5,803,299</u>

Note 8. Ad Valorem Taxes

Government-wide financial statements -

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

Fund financial statements -

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. During the current fiscal year, taxes were levied by the City in August and were billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Taxes are budgeted and the revenue recognized in the year billed.

The taxes are based on assessed values determined by the Tax Assessor of Iberia Parish and are collected by the City.

NOTES TO FINANCIAL STATEMENTS

For the year ended October 31, 2008, taxes were levied on property with assessed valuations totaling \$154,868,942 and were dedicated as follows:

General corporate purposes	6.90 mills
Parks and recreation	2.96 mills
Streets and bridges	3.45 mills
Debt service	10.43 mills

Total taxes levied during 2008, exclusive of homestead exemptions, were \$3,676,647. Taxes receivable at October 31, 2008 totaled \$8,912, all of which is considered uncollectible.

Note 9. Sales and Use Taxes

The City is authorized by voters of the City to levy and collect two percent (2.00%) sales and use tax within the City. The City has an intergovernmental agreement with the Iberia Parish School Board for the collection of sales taxes. The sales tax ordinances dedicate the proceeds for the following purposes:

<u>Rate</u>	<u>Dedication</u>
1.00%	Support and maintenance of the police and fire departments, the construction and improvement of streets, bridges or sewerage and for any work of permanent public improvement, including the cost of construction and improving sewers and sewage disposal works, in the City.
0.25%	Operating, maintaining and improving the City's garbage and waste collection and disposal facilities and purchasing and acquiring the land and equipment necessary in connection with the operation of said facilities. This tax is in lieu of a monthly charge for residential garbage and waste collection and disposal.
0.25%	Supplement the cost of salaries of City employees, including employee benefits.

NOTES TO FINANCIAL STATEMENTS

Note 9. Sales and Use Taxes (Continued)

<u>Rate</u>	<u>Dedication</u>
0.25%	Supplement other sales tax revenues of the City to pay the cost of solid waste collection and disposal, including the cost of the City's recycling program. The remaining proceeds of the tax to be expended for the purpose of paying the cost of the salaries of City employees, including the payment of employee benefits.
0.25%	Supplement the cost of salary and benefit increases for firemen.

NOTES TO FINANCIAL STATEMENTS

Note 10. Interfund Transfers

Interfund transfers for the year ended October 31, 2008 consist of the following:

	Transfers In:					Total
	General	Debt Service	Spanish Town Paving Assessment	Other Governmental Funds	Sewerage	
Transfers out:						
General	\$ -	\$ 88,956	\$ -	\$ 3,868,289	\$ 236,004	\$ 4,193,249
Sales Tax	6,780,426	267,960	-	1,575,701	121,258	8,835,045
Garbage	357,084	-	-	-	-	357,084
Other Governmental Funds	-	-	37,454	281,238	-	318,692
Sewerage	-	698,172	-	164,065	-	862,237
Pension Trust Funds	-	276,636	-	-	-	276,636
	<u>\$7,137,510</u>	<u>\$1,331,724</u>	<u>\$ 37,454</u>	<u>\$ 5,889,293</u>	<u>\$ 357,262</u>	<u>\$14,842,943</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund required, and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

Note 11. Employee Retirement Systems

The City has several pension plans covering substantially all of its employees, as follows:

- Municipal Employees' Retirement System of Louisiana
- State of Louisiana - Municipal Police Employees' Retirement System
- State of Louisiana - Firefighters' Retirement System

Substantially all employees are covered under the Municipal Employees' Retirement System of Louisiana except for firemen and policemen which are covered under the Firefighters' Retirement System and Municipal Police Employees' Retirement System, respectively. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System of Louisiana:

Plan description:

The Municipal Employees' Retirement System of Louisiana (the "System") is a cost-sharing multiple-employer public employee retirement system as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City are members of Plan A.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week, not participating in another public funded retirement system and under age 60 at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

NOTES TO FINANCIAL STATEMENTS

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current year rate is 13.50%. The contribution requirements of plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ended October 31, 2008, 2007 and 2006 were \$438,204, \$484,578 and \$445,016, respectively, which equal the required contributions for each year.

State of Louisiana - Municipal Police Employees' Retirement System:

Plan description:

The Municipal Police Employees' Retirement System (the "System") is a cost-sharing multiple-employer public employee retirement system.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing they do not have to pay social security and providing they meet the statutory criteria. Employees who retire at or after age 50 with at least 20 years of credited service or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produces the highest average. The System also provides disability and survivor benefits. Benefits are established by state statute.

The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana 70809-7017.

Funding policy:

Plan members are required to contribute 7.50% of their annual covered salary and the City is required to contribute at a rate established by state statute. The rate was 13.75% until July 1, 2008, at which time it decreased to 9.50%. The City's contributions to the System for the years ending October 31, 2008, 2007 and 2006 were \$5,336, \$1,809 and \$19,268, respectively, which equal the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

State of Louisiana - Firefighters' Retirement System:

Plan description:

The Firefighters' Retirement System (the "System") is a cost-sharing multiple-employer public employee retirement system, as established and provided for by R.S. 11:2251 through 2269 of the Louisiana Revised Statutes.

Membership is mandatory as a condition of employment beginning on date employed if the employee is on a permanent basis as a firefighter, not participating in another public funded retirement system and under age 50 at date of employment. Employees who retire at or after age 50 with at least 20 years of credited service, or at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produces the highest average. The System also provides disability and survivor benefits. Benefits are established by state statute.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Firefighters' Retirement System, P.O. Box 94095 Capitol Station, Baton Rouge, Louisiana 70804-9095.

Funding policy:

Plan members are required to contribute 8.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate was 13.75% until July 1, 2008 at which time it decreased to 12.50%. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ending October 31, 2008, 2007 and 2006 were \$286,755, \$338,158 and \$399,887, respectively, which equal the required contributions for each year.

Note 12. Contingent Liabilities

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representative. The City's management believes that any liability for reimbursement which may arise as the result of these audits would not be material to the financial statements.

NOTES TO FINANCIAL STATEMENTS

The City is a defendant in various lawsuits. According to legal counsel for the City, there is adequate insurance on all cases where monetary damages are sought, and in those cases where there is an excess liability question or no coverage, the City would be adequately protected by the sovereign immunity clause of the Louisiana Constitution.

Note 13. Sewerage Fund

Public Improvement and General Obligation Bonds were issued to construct and/or improve the sewer system. These bonds are payable from sales and ad valorem taxes. The total outstanding at October 31, 2008 of \$17,995,000 is reflected as a liability of the governmental activities because they are general obligation bonds as opposed to sewer revenue bonds. If these were sewer revenue bonds, the liability would be reflected as a liability of the business-type activities. In addition, the assets constructed with these bond proceeds are properly reflected in the Sewerage Fund with an equal amount recorded as capital contributions.

The debt payments for the year ended October 31, 2008 related to these bonds were \$1,769,929. This amount consists of principal payments of \$1,000,000 and interest payments of \$769,929. These payments are reflected in the Debt Service Fund.

For the year ended October 31, 2008, the City received \$375,674 in loan proceeds and expended that amount on capital projects. This activity is reflected in the Construction capital projects fund.

All operating revenues and expenses related to the Sewerage Fund are properly reflected in that fund.

Note 14. DEQ Revolving Loan Fund Advance

During a prior fiscal year, the Board of Trustees approved a resolution to issue \$4,000,000 of General Obligation Bonds, Series 2005, to the Louisiana Department of Environmental Quality (DEQ). The City has entered into a loan and pledge agreement with DEQ which allows the City to make draws of the \$4,000,000 commitment as construction funds are expended for wastewater plant construction. During the interim loan period, interest is payable semi-annually at an effective interest rate of 3.95%. Advances on the interim loan through October 31, 2008 were \$3,847,745.

Upon the earlier of the completion of the project or aggregate interim loan draws equal the bond commitment, the permanent loan period will commence. Since the actual repayments are not determined until the permanent loan amount is established, future payments of annual principal maturities and semi-annual interest installments are not final and are not included in the maturity schedules of the General Obligation bonds.

NOTES TO FINANCIAL STATEMENTS

Note 15. Post Retirement Health Care Benefits

The City adopted resolution 07-100 in November 2007 and began providing health care benefits for retirees during the 2008 fiscal year. Retirees are defined as city employees, New Iberia Court employees or elected officials of the City of New Iberia: who have retired from under the Louisiana Municipal Employees Retirement System, Louisiana Firefighters Retirement System, Louisiana Municipal Police Retirement System or the Louisiana State Employees Retirement System or an elected official who is eligible for retirement and; who has been employed continuously for the City for the immediate 10 year to said retirement or has been approved for disability retirement or an elected official who is eligible for retirement and; who has been enrolled in the City hospitalization plan for the immediate two years prior to retirement. The City pays 100% of the group health insurance premium for an elected official who is eligible for retirement; or will pay 100% of the group health insurance premium for the retiree who has 20 plus years of service with the City or; 50% for the retiree who has 10 years service but less than 20 years of service; or 25% for the retiree who has been approved for disability retirement and has five or more years but less than 10 years of service. Substantially, all of the City's employees become eligible for these benefits if they reach normal retirement age while working for the City. The benefits for retirees are provided through a group insurance plan whose monthly premiums are paid by the employee and/or the City. The cost of providing these benefits are reflected as expenditures in the year they are paid. For the year ended October 31, 2008, there were 54 retirees and the costs of their benefits totaled \$195,835.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended October 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Ad valorem	\$ 1,157,564	\$ 1,157,564	\$ 1,151,487	\$ (6,077)
Sales and use	1,973,808	1,973,808	1,909,881	(63,927)
Franchise	1,933,626	1,933,626	2,028,847	95,221
Licenses and permits -				
Occupational and liquor licenses	1,405,300	1,405,300	1,346,656	(58,644)
Fees and permits	371,000	371,000	338,117	(32,883)
Intergovernmental -				
Federal grants	184,233	184,233	240,321	56,088
State grants	662,000	276,000	618,092	342,092
State shared revenues:				
Beer taxes	97,350	97,350	41,613	(55,737)
Horse race track fees	134,000	134,000	151,156	17,156
Charges for services	42,340	42,340	56,385	14,045
Fines and forfeitures	111,850	105,150	104,645	(505)
Investment income	353,500	232,500	271,573	39,073
Miscellaneous	48,025	48,025	56,611	8,586
Total revenues	<u>\$ 8,474,596</u>	<u>\$ 7,960,896</u>	<u>\$ 8,315,384</u>	<u>\$ 354,488</u>
Expenditures:				
Current -				
General government:				
Personnel costs	\$ 1,216,588	\$ 1,222,544	\$ 1,137,084	\$ 85,460
Auto allowance	33,600	33,600	33,600	-
Computer programming	50,000	50,000	57,292	(7,292)
Coroner's fees	6,000	12,000	29,290	(17,290)
Professional fees	85,500	85,500	108,299	(22,799)
Equipment rental	18,000	13,141	18,504	(5,363)
Materials and supplies	13,650	13,650	11,782	1,868
Repairs and maintenance	232,106	171,363	84,150	87,213
Telephone and utilities	142,010	142,010	152,384	(10,374)
Election costs	25,000	25,000	31,409	(6,409)
Janitorial services	40,000	40,000	40,000	-
Insurance	361,850	361,850	307,836	54,014
Office supplies	43,397	46,667	44,302	2,365
Travel and training	26,800	26,800	16,353	10,447
Court witness fees	30,000	30,000	21,950	8,050
Clerk of Court fees	15,600	15,600	13,536	2,064

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
For the Year Ended October 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures (continued):				
Current -				
General government:				
Contract services	61,875	64,375	117,353	(52,978)
Nonprofit allocations -				
Veteran allotment	1,800	1,800	1,800	-
Council on Aging	10,000	10,000	10,000	-
SNAP	6,000	6,000	6,000	-
SMILE	5,000	5,000	5,000	-
Iberia Industrial				
Development	5,000	5,000	5,000	-
St. Francis Diner	5,000	5,000	5,000	-
Boys and Girls Club	5,000	5,000	5,000	-
PEPPIE	1,200	1,200	1,200	-
Iberia Humane Society	1,500	1,500	1,500	-
Social Service Center	2,228	2,228	2,228	-
Miscellaneous	137,222	142,039	97,057	44,982
Total general government	\$ 2,581,926	\$ 2,538,867	\$ 2,364,909	\$ 173,958
Public safety:				
Personnel costs	\$ 3,992,573	\$ 4,007,573	\$ 3,776,975	\$ 230,598
Computer programming	2,900	2,900	2,849	51
Professional fees	33,000	33,000	34,996	(1,996)
Materials and supplies	47,450	47,450	58,151	(10,701)
Repairs and maintenance	115,030	113,830	42,789	71,041
Telephone and utilities	65,400	65,400	66,055	(655)
Insurance	91,330	91,330	62,946	28,384
Office supplies	11,500	11,500	9,684	1,816
Travel and training	27,850	27,835	22,863	4,972
Jail costs	280,000	280,000	250,157	29,843
Security services	32,000	32,000	32,816	(816)
External appropriations	26,000	26,000	15,755	10,245
Contract services	3,356,594	3,356,194	3,321,320	34,874
Miscellaneous	140,648	141,048	220,105	(79,057)
Total public safety	\$ 8,222,275	\$ 8,236,060	\$ 7,917,461	\$ 318,599

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
For the Year Ended October 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Culture and recreation:				
Professional fees	\$ 500	\$ 500	\$ -	\$ 500
Repairs and maintenance	13,540	13,540	2,718	10,822
Telephone and utilities	13,200	13,200	13,650	(450)
Insurance	5,000	5,000	6,255	(1,255)
Programs -				
Main to main	11,750	11,750	14,730	(2,980)
Other	15,000	15,000	5,000	10,000
Materials and supplies	300	300	2,047	(1,747)
Miscellaneous	2,664	2,664	1,465	1,199
Total culture and recreation	<u>\$ 61,954</u>	<u>\$ 61,954</u>	<u>\$ 45,865</u>	<u>\$ 16,089</u>
Capital outlay	<u>\$ 985,342</u>	<u>\$ 1,151,086</u>	<u>\$ 930,649</u>	<u>\$ 220,437</u>
Total expenditures	<u>\$11,851,497</u>	<u>\$11,987,967</u>	<u>\$11,258,884</u>	<u>\$ 729,083</u>
Deficiency of revenues over expenditures	<u>\$ (3,376,901)</u>	<u>\$ (4,027,071)</u>	<u>\$ (2,943,500)</u>	<u>\$ 1,083,571</u>
Other financing sources (uses):				
Transfers in	\$ 7,710,464	\$ 7,748,668	\$ 7,137,510	\$ (611,158)
Transfers out	<u>(3,526,760)</u>	<u>(3,611,464)</u>	<u>(4,193,249)</u>	<u>(581,785)</u>
Total other financing sources (uses)	<u>\$ 4,183,704</u>	<u>\$ 4,137,204</u>	<u>\$ 2,944,261</u>	<u>\$ (1,192,943)</u>
Net change in fund balance	\$ 806,803	\$ 110,133	\$ 761	\$ (109,372)
Fund balance, beginning	<u>10,072,197</u>	<u>10,072,197</u>	<u>10,800,884</u>	<u>728,687</u>
Fund balance, ending	<u>\$10,879,000</u>	<u>\$10,182,330</u>	<u>\$10,801,645</u>	<u>\$ 619,315</u>

See Notes to Budgetary Comparison Schedules.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
For the Year Ended October 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales and use	\$ 9,869,038	\$ 9,869,038	\$ 9,549,404	\$ (319,634)
Investment income	<u>209,000</u>	<u>209,000</u>	<u>275,431</u>	<u>66,431</u>
Total revenues	\$10,078,038	\$10,078,038	\$ 9,824,835	\$ (253,203)
Expenditures:				
Current -				
General government	<u>73,000</u>	<u>73,000</u>	<u>90,587</u>	<u>(17,587)</u>
Excess of revenues over expenditures	\$10,005,038	\$10,005,038	\$ 9,734,248	\$ (270,790)
Other financing uses:				
Transfers out	<u>(9,467,323)</u>	<u>(9,949,213)</u>	<u>(8,835,045)</u>	<u>1,114,168</u>
Net change in fund balance	\$ 537,715	\$ 55,825	\$ 899,203	\$ 843,378
Fund balance, beginning	<u>9,487,006</u>	<u>9,487,006</u>	<u>9,053,065</u>	<u>(433,941)</u>
Fund balance, ending	<u>\$10,024,721</u>	<u>\$ 9,542,831</u>	<u>\$ 9,952,268</u>	<u>\$ 409,437</u>

See Notes to Budgetary Comparison Schedules.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GARBAGE FUND
For the Year Ended October 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes -				
Sales and use	\$ 3,947,616	\$ 3,947,616	\$ 3,819,762	\$ (127,854)
Intergovernmental -				
Federal grants	-	-	895,045	895,045
Investment income	82,278	82,278	61,702	(20,576)
Miscellaneous	<u>45,000</u>	<u>45,000</u>	<u>41,250</u>	<u>(3,750)</u>
Total revenues	<u>\$ 4,074,894</u>	<u>\$ 4,074,894</u>	<u>\$ 4,817,759</u>	<u>\$ 742,865</u>
Expenditures:				
Current -				
General government	\$ 28,000	\$ 28,000	\$ 36,235	\$ (8,235)
Public works	<u>3,570,780</u>	<u>3,570,780</u>	<u>4,313,975</u>	<u>(743,195)</u>
Total expenditures	<u>\$ 3,598,780</u>	<u>\$ 3,598,780</u>	<u>\$ 4,350,210</u>	<u>\$ (751,430)</u>
Excess of revenues over expenditures	\$ 476,114	\$ 476,114	\$ 467,549	\$ (8,565)
Other financing uses:				
Transfers out	<u>(357,086)</u>	<u>(357,086)</u>	<u>(357,084)</u>	<u>2</u>
Net change in fund balance	\$ 119,028	\$ 119,028	\$ 110,465	\$ (8,563)
Fund balance, beginning	<u>2,049,727</u>	<u>2,049,727</u>	<u>2,011,197</u>	<u>(38,530)</u>
Fund balance, ending	<u>\$ 2,168,755</u>	<u>\$ 2,168,755</u>	<u>\$ 2,121,662</u>	<u>\$ (47,093)</u>

See Notes to Budgetary Comparison Schedules.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note 1. Budgets and Budgetary Accounting

City of New Iberia follows the procedures detailed below in adopting its budget.

1. At least 60 days prior to the beginning of each fiscal year, the Mayor is required to submit to the Board of Trustees a proposed budget in the form required by the Charter.
2. A public hearing is required to be conducted to obtain taxpayer comments and notice thereof is published in the official journal at least 10 days prior to such hearing. The notification is to include the time and place of the public hearing in addition to a general summary of the proposed budget.
3. Final adoption of the budget is required to be not later than October 31 of the fiscal year for the ensuing fiscal year.
4. Formal budgetary integration is employed as a management control device during the year for all funds. No payment can be made or obligated against any appropriation unless the Mayor or her designee first certifies that sufficient unencumbered funds are or will be available to meet the obligation when it becomes due and payable. In practice, this has generally been interpreted (due to the flexibility for intra departmental transfer of line item appropriations) to mean control at the departmental/fund level.
5. Those budgets which the City adopts are on a basis consistent with generally accepted accounting principles as applied to governmental units.
6. All appropriations, except for capital outlays, lapse at the close of the fiscal year to the extent that they have not been expended or encumbered. Appropriations for capital outlays lapse after completion of the project.

All budgeted amounts presented reflect the original budget and the final budget (which have been adjusted for legally authorized revisions during the year).

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note 2. Excess of Expenditures Over Appropriations

The following individual funds had actual expenditures in excess of budgeted expenditures for the year ended October 31, 2008:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
Sales Tax Fund	<u>\$ 73,000</u>	<u>\$ 73,000</u>	<u>\$ 90,587</u>	<u>\$ (17,587)</u>
Garbage Fund	<u>\$ 3,598,780</u>	<u>\$ 3,598,780</u>	<u>\$ 4,350,210</u>	<u>\$ (751,430)</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
October 31, 2008

ASSETS	Special Revenue			Section 8 Housing Voucher Program
	Parks and Recreation	Public Works	Disaster Relief	
Cash	\$ 92,961	\$ 481,273	\$ -	\$ 441,881
Certificates of deposit	-	-	1,284,402	-
Accrued interest receivable	-	-	5,514	-
Accounts receivable	-	-	-	234
Special assessments receivable	-	-	-	-
Due from other funds	-	5,838	-	3,268
Due from other governmental agencies	-	-	120,670	-
Total assets	<u>\$ 92,961</u>	<u>\$ 487,111</u>	<u>\$ 1,410,586</u>	<u>\$ 445,383</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 55,122	\$ 82,503	\$ 18,188	\$ 677
Retainage payable	-	-	-	-
Accrued expenses	13,623	21,320	-	2,292
Deferred revenue	-	-	-	-
Other liabilities	-	-	-	52,710
Due to other funds	24,216	383,288	-	-
Due to other governmental agencies	-	-	12,900	-
Total liabilities	<u>\$ 92,961</u>	<u>\$ 487,111</u>	<u>\$ 31,088</u>	<u>\$ 55,679</u>
Fund balances:				
Reserved for -				
Debt service	\$ -	\$ -	\$ -	\$ -
Construction	-	-	-	-
Unreserved -				
Designated for capital projects	-	-	-	-
Undesignated	-	-	1,379,498	389,704
Total fund balances	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,379,498</u>	<u>\$ 389,704</u>
Total liabilities and fund balances	<u>\$ 92,961</u>	<u>\$ 487,111</u>	<u>\$ 1,410,586</u>	<u>\$ 445,383</u>

<u>Debt Service</u>		<u>Capital Projects</u>				
<u>Spanish Town Sewer Assessments</u>	<u>Construction</u>	<u>2006 Street Programs</u>	<u>1983 Bond Issue</u>			
			<u>1000M Sewerage</u>	<u>500M Drainage</u>	<u>500M Street</u>	
\$ 7,651	\$ 1,617,160	\$1,014,257	\$ -	\$2,379,008	\$ -	
-	-	-	305,087	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
94,770	-	-	-	-	-	
-	221,170	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 102,421</u>	<u>\$ 1,838,330</u>	<u>\$1,014,257</u>	<u>\$ 305,087</u>	<u>\$2,379,008</u>	<u>\$ -0-</u>	C
						O
						N
\$ -	\$ 2,002	\$ 53,548	\$ -	\$ 2,323	\$ -	T
-	2,700	-	-	-	-	
-	-	-	-	-	-	I
94,770	-	-	-	-	-	
-	-	-	-	-	-	N
-	-	-	-	-	-	
-	-	-	-	-	-	U
<u>\$ 94,770</u>	<u>\$ 4,702</u>	<u>\$ 53,548</u>	<u>\$ -0-</u>	<u>\$ 2,323</u>	<u>\$ -0-</u>	E
						D
\$ 7,651	\$ -	\$ -	\$ -	\$ -	\$ -	
-	1,833,628	960,709	-	-	-	
-	-	-	305,087	2,376,685	-	
-	-	-	-	-	-	
<u>\$ 7,651</u>	<u>\$ 1,833,628</u>	<u>\$ 960,709</u>	<u>\$ 305,087</u>	<u>\$2,376,685</u>	<u>\$ -0-</u>	
<u>\$ 102,421</u>	<u>\$ 1,838,330</u>	<u>\$1,014,257</u>	<u>\$ 305,087</u>	<u>\$2,379,008</u>	<u>\$ -0-</u>	

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
October 31, 2008

	<u>Capital</u>		
ASSETS	<u>CDBG</u>	<u>Home Mortgage Bond</u>	<u>Spanish Town Sewerage</u>
Cash	\$ 80,302	\$168,619	\$ -
Certificates of deposit	-	-	-
Accrued interest receivable	-	-	-
Accounts receivable	-	-	-
Special assessments receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	<u>124,164</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$204,466</u>	<u>\$168,619</u>	<u>\$ -0-</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 81,770	\$ -	\$ -
Retainage payable	102,347	-	-
Accrued expenses	-	-	-
Deferred revenue	-	-	-
Other liabilities	-	-	-
Due to other funds	20,349	-	-
Due to other governmental agencies	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$204,466</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund balances:			
Reserved for -			
Debt service	\$ -	\$ -	\$ -
Construction	-	-	-
Unreserved -			
Designated for capital projects	-	168,619	-
Undesignated	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ -0-</u>	<u>\$168,619</u>	<u>\$ -0-</u>
Total liabilities and fund balances	<u>\$204,466</u>	<u>\$168,619</u>	<u>\$ -0-</u>

<u>Projects</u>	
<u>Spanish Town Paving</u>	<u>Total</u>
\$ -	\$6,283,112
-	1,589,489
-	5,514
-	234
-	94,770
-	230,276
-	244,834
<u>\$ -0-</u>	<u>\$8,448,229</u>
\$ -	\$ 296,133
-	105,047
-	37,235
-	94,770
-	52,710
-	427,853
-	12,900
<u>\$ -0-</u>	<u>\$1,026,648</u>
\$ -	\$ 7,651
-	2,794,337
-	2,850,391
-	1,769,202
<u>\$ -0-</u>	<u>\$7,421,581</u>
<u>\$ -0-</u>	<u>\$8,448,229</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended October 31, 2008

	<u>Special Revenue</u>			<u>Section 8 Housing Voucher Program</u>
	<u>Parks and Recreation</u>	<u>Public Works</u>	<u>Disaster Relief</u>	
Revenues:				
Taxes -				
Ad valorem	\$ 462,757	\$ 539,397	\$ -	\$ -
Intergovernmental -				
Federal grants	5,989	11,447	120,670	1,264,105
Other	-	-	-	-
Charges for services	354,983	32,350	-	-
Investment income	-	5,838	48,279	18,308
Miscellaneous	20,425	985	-	2,512
Total revenues	<u>\$ 844,154</u>	<u>\$ 590,017</u>	<u>\$ 168,949</u>	<u>\$1,284,925</u>
Expenditures:				
Current -				
General government	\$ -	\$ -	\$ -	\$ -
Public works	-	2,510,203	123,161	-
Culture and recreation	2,117,498	-	-	-
Urban redevelopment and housing	-	-	-	1,159,064
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	111,552	171,989	-	1,581
Total expenditures	<u>\$ 2,229,050</u>	<u>\$ 2,682,192</u>	<u>\$ 123,161</u>	<u>\$1,160,645</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,384,896)</u>	<u>\$ (2,092,175)</u>	<u>\$ 45,788</u>	<u>\$ 124,280</u>
Other financing sources (uses):				
Transfers in	\$ 1,384,896	\$ 2,092,175	\$ 797,291	\$ -
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>\$ 1,384,896</u>	<u>\$ 2,092,175</u>	<u>\$ 797,291</u>	<u>\$ -0-</u>
Net change in fund balances	\$ -0-	\$ -0-	\$ 843,079	\$ 124,280
Fund balances, beginning	-	-	536,419	265,424
Fund balances, ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,379,498</u>	<u>\$ 389,704</u>

Debt Service	Capital Projects				
Spanish Town Sewer Assessments		2006 Street Programs	1983 Bond Issue		
	Construction		1000M Sewerage	500M Drainage	500M Street
\$ 12,960	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	929,121	-
-	-	-	-	-	-
-	20,223	54,995	12,791	34,329	-
463	-	-	-	-	-
<u>\$ 13,423</u>	<u>\$ 20,223</u>	<u>\$ 54,995</u>	<u>\$ 12,791</u>	<u>\$ 963,450</u>	<u>\$ -0-</u>
\$ -	\$ 5,015	\$ 24,049	\$ -	\$ -	\$ -
-	-	-	-	61,074	-
-	-	58,348	-	-	-
-	-	-	-	-	-
8,100	-	-	-	-	-
3,564	-	-	-	-	-
-	177,227	234,742	-	365,347	-
<u>\$ 11,664</u>	<u>\$ 182,242</u>	<u>\$ 317,139</u>	<u>\$ -0-</u>	<u>\$ 426,421</u>	<u>\$ -0-</u>
<u>\$ 1,759</u>	<u>\$ (162,019)</u>	<u>\$ (262,144)</u>	<u>\$ 12,791</u>	<u>\$ 537,029</u>	<u>\$ -0-</u>
\$ 5,892	\$ 348,000	\$1,000,338	\$ 6,296	\$ -	\$ -
-	-	-	-	(275,004)	(342)
-	375,674	-	-	-	-
<u>\$ 5,892</u>	<u>\$ 723,674</u>	<u>\$1,000,338</u>	<u>\$ 6,296</u>	<u>\$ (275,004)</u>	<u>\$ (342)</u>
\$ 7,651	\$ 561,655	\$ 738,194	\$ 19,087	\$ 262,025	\$ (342)
-	1,271,973	222,515	286,000	2,114,660	342
<u>\$ 7,651</u>	<u>\$ 1,833,628</u>	<u>\$ 960,709</u>	<u>\$ 305,087</u>	<u>\$2,376,685</u>	<u>\$ -0-</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended October 31, 2008

		<u>Capital</u>	
	<u>CDBG</u>	<u>Home Mortgage Bond</u>	<u>Spanish Town Sewerage</u>
Revenues:			
Taxes -			
Ad valorem	\$ -	\$ -	\$ -
Intergovernmental -			
Federal grants	932,392	-	-
Other	-	-	-
Charges for services	-	-	-
Investment income	-	30,762	1,519
Miscellaneous	-	-	-
Total revenues	<u>\$ 932,392</u>	<u>\$ 30,762</u>	<u>\$ 1,519</u>
Expenditures:			
Current -			
General government	\$ -	\$ -	\$ 65
Public works	1,186,797	-	-
Culture and recreation	-	-	-
Urban redevelopment and housing	-	-	-
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>\$1,186,797</u>	<u>\$ -0-</u>	<u>\$ 65</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (254,405)</u>	<u>\$ 30,762</u>	<u>\$ 1,454</u>
Other financing sources (uses):			
Transfers in	\$ 254,405	\$ -	\$ -
Transfers out	-	-	(5,892)
Proceeds from issuance of debt	-	-	-
Total other financing sources (uses)	<u>\$ 254,405</u>	<u>\$ -0-</u>	<u>\$ (5,892)</u>
Net change in fund balances	<u>\$ -0-</u>	<u>\$ 30,762</u>	<u>\$ (4,438)</u>
Fund balances, beginning	<u>-</u>	<u>137,857</u>	<u>4,438</u>
Fund balances, ending	<u>\$ -0-</u>	<u>\$168,619</u>	<u>\$ -0-</u>

<u>Projects</u>	
Spanish Town Paving	<u>Total</u>
\$ -	\$ 1,015,114
-	2,334,603
-	929,121
-	387,333
10,689	237,733
-	<u>24,385</u>
<u>\$ 10,689</u>	<u>\$ 4,928,289</u>
\$ 942	\$ 30,071
-	3,881,235
-	2,175,846
-	1,159,064
-	8,100
-	3,564
-	<u>1,062,438</u>
<u>\$ 942</u>	<u>\$ 8,320,318</u>
<u>\$ 9,747</u>	<u>\$ (3,392,029)</u>
\$ -	\$ 5,889,293
(37,454)	(318,692)
-	<u>375,674</u>
<u>\$(37,454)</u>	<u>\$ 5,946,275</u>
\$(27,707)	\$ 2,554,246
<u>27,707</u>	<u>4,867,335</u>
<u>\$ -0-</u>	<u>\$ 7,421,581</u>

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANASTATEMENT OF OPERATING EXPENSES
SEWERAGE FUND
For the Year Ended October 31, 2008

Operating expenses:

Cost of services -

Salaries	\$1,069,273
Employee benefits	379,898
Materials and supplies	180,085
Repairs and maintenance	382,145
Fuel	97,177
Insurance	56,535
Office supplies and postage	8,917
Telephone and utilities	560,378
Professional services	95,920
Contractual services	174,214
Modeling	193,609
Collection fees	81,456
Equipment rental	14,713
Travel and training	2,220
Miscellaneous	25,864
Depreciation	<u>2,009,911</u>

Total operating expenses \$5,332,315

COMPLIANCE AND OTHER GRANT INFORMATION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
of City of New Iberia
New Iberia, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia as of and for the year ended October 31, 2008, which collectively comprise the City of New Iberia's basic financial statements and have issued our report thereon dated February 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of New Iberia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of New Iberia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of New Iberia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of New Iberia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of New Iberia's financial statements that is more than inconsequential will not be prevented or detected by the City of New Iberia's internal control. We consider the deficiency described at #2008-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of New Iberia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of New Iberia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item #2008-2.

The City of New Iberia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of New Iberia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poché, Lewis & Breaux LLP.

Lafayette, Louisiana
February 18, 2009



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Trustees
of City of New Iberia
New Iberia, Louisiana

Compliance

We have audited the compliance of the City of New Iberia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended October 31, 2008. The City of New Iberia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of New Iberia's management. Our responsibility is to express an opinion on the City of New Iberia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of New Iberia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of New Iberia's compliance with those requirements.

In our opinion, the City of New Iberia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended October 31, 2008.

Internal Control Over Compliance

The management of the City of New Iberia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of New Iberia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of New Iberia's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Broussard, Piche, Lewis & Breaux LLP.

Lafayette, Louisiana
February 18, 2009

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended October 31, 2008

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified.

Internal control over financial reporting:

- Material weakness identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X No

Noncompliance or other matters material to financial statements noted? X Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X No

Type of auditors' report issued on compliance for major programs: unqualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Block Grant - States Program
14.871	Section 8 Housing Choice Vouchers
97.036	Public Assistance Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

Auditee qualified as low-risk auditee? Yes X No

Section II. Financial Statement Findings

#2008-1 Cash Accounts

Finding: While the City has pooled the majority of its cash into one account, they also have some funds that maintain their own cash accounts. During the prior and current fiscal years, the City recorded the cash activity for the majority of funds out of the clearance account (pooled account) instead of recording the activity related to the funds with their own cash account out of their cash. This resulted in some funds having cash overdrafts in the clearance pool account while having positive cash in their own account. In addition, all of the interest on the separate accounts was recorded in the individual funds when the funds did not actually have the cash, since it had used the clearance account money. All of this resulted in interest income being misstated in the affected funds. Audit adjustments were made to properly state the interest amounts for the applicable funds.

Recommendation: The cash activity for funds with their own cash accounts should be recorded in the fund's separate account; their receipts and disbursements should not be recorded in the clearance account. In addition, interest should be properly recorded in the funds based on their portion of the clearance account and/or their cash balance.

Management Response: The City of New Iberia will ascertain that each individual funds cash account records its own receipts and disbursements. This method will ensure that interest is properly documented in each separate fund and will also minimize and/or eliminate the need to post interest based on portions of any balances in the clearance account.

#2008-2 Budget Violations

Finding: The Louisiana Local Government Budget Act requires governments to amend their budget when total actual expenditures exceed total budgeted expenditures by 5% or more. For the year ended October 31, 2008, actual expenditures exceeded budgeted expenditures in the Garbage Fund by 21% which is a violation of the Louisiana Local Government Budget Act.

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

Management Response: Hurricane related expenses were incurred near the City's fiscal year end and the budget was inadvertently not amended. The budget will be monitored more closely in the future to ensure compliance.

Section III. Federal Award Findings and Questioned Costs

None reported.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended October 31, 2008

Section I. Internal Control and Compliance Material to the Financial Statements

#2007-1 Treasury Bond

Recommendation: Procedures should be established to ensure that the City's investments are properly managed and appropriate action taken when investments are called.

Current Status: This finding is resolved.

#2007-2 Cash Accounts

Recommendation: The cash activity for funds with their own cash accounts should be recorded in the fund's separate account; their receipts and disbursements should not be recorded in the clearance account. In addition, interest should be properly recorded in the funds based on their portion of the clearance account and/or their cash balance.

Current Status: This finding is repeated at #2008-1.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

There was no management letter in the prior year's audit report.

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CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended October 31, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Pass- Through Grantor's Number</u>
DIRECT PROGRAMS:			
U.S. Department of Homeland Security -			
Public Assistance Grants	97.036	N/A	N/A
Assistance to Firefighters Grant	97.044	EMW-2007-FO-01451	N/A
Delta Regional Authority - Project and Supplemental Grants	90.201	LA-2991	N/A
U.S. Department of Housing and Urban Development -			
FY 2003 EDI-Special Project	14.246	B-03-SP-LA-0273	N/A
Section 8 Housing Choice Vouchers	14.871	LA-165VO	N/A
PASS-THROUGH PROGRAMS:			
U.S. Department of Environmental Protection Agency -			
State of Louisiana Department of Environmental Quality: Capitalization Grants for Clean Water State Revolving Funds	66.458	N/A	CS-22-1099-04
U.S. Department of Homeland Security -			
State of Louisiana Department of Safety: Hazard Mitigation Grant	97.039	FEMA-1603-DR-LA	N/A
U.S. Department of Housing and Urban Development -			
Louisiana Division of Administration Community Development Block Grant Division:			
Block Grant - States Program	14.228	N/A	CFMS-644356
		N/A	CFMS-656087
		N/A	CFMS-656088

<u>Total</u> <u>Current Year</u> <u>Expenditures</u>	<u>Total Amount</u> <u>Provided to</u> <u>Subrecipients</u>
--	---

\$ 1,015,715	\$ -0-
--------------	--------

\$ 77,760	\$ -0-
-----------	--------

\$ 25,322	\$ -0-
-----------	--------

\$ 74,273	\$ -0-
-----------	--------

\$ 1,264,105	\$ -0-
--------------	--------

\$ 375,674	\$ -0-
------------	--------

\$ 46,817	\$ -0-
-----------	--------

\$ 39,232	\$ -
443,160	-
450,000	-
<u>\$ 932,392</u>	<u>\$ -0-</u>

(continued)

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended October 31, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Pass- Through Grantor's Number</u>
PASS-THROUGH PROGRAMS (CONTINUED):			
U.S. Department of Housing and Urban Development (continued)- State Department of Social Services:			
Emergency Shelter Grant	14.231	N/A	CFMS-650096
U.S. Department of Labor - Acadiana Works:			
Local Workforce Investment Act	17.258	N/A	N/A

Schedule Q-1
(continued)

<u>Total</u> <u>Current Year</u> <u>Expenditures</u>	<u>Total Amount</u> <u>Provided to</u> <u>Subrecipients</u>
\$ 16,149	\$ 16,149
\$ 18,933	\$ -0-
\$ 3,847,140	\$ 16,149

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As of and For the Year Ended October 31, 2008

Note 1. General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of New Iberia and is presented on the modified accrual basis of accounting, which is described in Note 1 to financial statements of the City's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Note 2. Relationship to Financial Statements

Federal awards revenues are reported in the City's financial statements as follows:

	<u>Federal Sources</u>
Major Governmental Funds:	
General Fund	\$ 240,321
Garbage Fund	895,045
Other Governmental Funds:	
Section 8 Housing Voucher Program	1,264,105
Parks and Recreation	5,989
Public Works	11,447
Disaster Relief Fund	120,670
CDBG	932,392
Major Proprietary Fund:	
Sewerage	<u>1,497</u>
	<u>\$3,471,466</u>

Loan proceeds are reported in the City's financial statements as follows:

Other Governmental Funds:	
Construction Fund	<u>\$ 375,674</u>

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 3. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 4. Major Federal Awards

The dollar amount threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

CITY OF NEW IBERIA
NEW IBERIA, LOUISIANASCHEDULE OF COMPENSATION PAID TO TRUSTEES
Year Ended October 31, 2008

Dan Doerle	\$ 11,400
Rocky Romero	11,400
Frederick Decourt	13,200
Therese Segura	11,400
Ernest Wilson	11,400
David Broussard	11,400
Raymond Lewis	<u>11,400</u>
	<u>\$ 81,600</u>